



**Request for City Council Committee Action
From the City Attorney's Office**

Date: January 4, 2012
To: Ways & Means/Budget Committee
Referral to:

Subject: Peloquin Lee LLC v. City of Minneapolis
Court File No.:

Recommendation: That the City Council approve the settlement of this case by payment of \$53,000.00 payable to Peloquin Lee LLC, from Fund/Org. 06900-1500100-145690 and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

Previous Directives: None

Prepared by: Thomas J. Miller

Phone: (612) 673-2897

Approved by:

[Signature]
pub Susan L. Segal
City Attorney

Presenter in Committee: Susan L. Segal, City Attorney

Financial Impact:(Check those that apply)

☐ No financial impact (If checked, go directly to Background/Supporting Information).

☐ Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.

☐ Action provides increased revenue for appropriation increase.

☐ Action requires use of contingency or reserves.

☐ Business Plan: _____ Action is within the plan. _____ Action requires a change to plan.

☒ Other financial impact (Explain): \$53,000.00 from Fund/Org. 06900-1500100-145690

☐ Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact: Other

Background/Supporting Information:

On February 11, 2011, a City water main ruptured on Lowry Avenue between Second and Third Street Northeast. The street in that area buckled releasing water into the basements of some homes and businesses. The claimant, Peloquin Lee LLC, owns a building located at 211 Lowry Avenue Northeast. The building is a two-story mixed use building with commercial and residential tenants. The street level of the building flooded and the basement, which houses a business tenant had in excess of four feet of water in it. The furnaces and water heaters were rendered inoperable. The electrical shorted out in the lower part of the building. The sheetrock walls were soaked and the sanitary sewer lines backed up.

Following extensive negotiations, we have reached a tentative settlement of Peloquin Lee LLC's property damage claim against the City in the amount of \$53,000.00. This proposed settlement has been discussed with the Public Works Department and they are in agreement with the terms. We believe that the settlement is in the best interests of the City and recommend approval by this Committee.

TJM / 12-00270